



Aalborg Universitet

AALBORG UNIVERSITY
DENMARK

A Case of Scandinavian Scepticism: why Danish employee representatives do not push for an active role to EWCs

Knudsen, Herman Lyhne

Publication date:
2008

Document Version
Publisher's PDF, also known as Version of record

[Link to publication from Aalborg University](#)

Citation for published version (APA):

Knudsen, H. L. (2008). *A Case of Scandinavian Scepticism: why Danish employee representatives do not push for an active role to EWCs*. Paper presented at Information, consultation, workers' participation and social dialogue - New concepts for social partners and companies, Rom, Italy.

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal -

Take down policy

If you believe that this document breaches copyright please contact us at vbn@aub.aau.dk providing details, and we will remove access to the work immediately and investigate your claim.

Herman Knudsen,
Aalborg University
email: hk@plan.aau.dk

A Case of Scandinavian Scepticism: why Danish employee representatives do not push for an active role to EWCs

Introduction

Trade union movements in Europe today are predominantly national in character and outlook. Yet, they relate to the new level of European industrial relations in diverging ways. In this paper I focus on the views and policies of Danish trade unions on European Works Councils (EWCs) and European issues more generally while trying to explain their rather reserved and sceptical attitude towards a Europeanisation of interest representation.

After first attempting to identify some central changes in the context within which trade unionism operates, I present evidence on how EWCs are connected to the Danish industrial relations system and give some examples of sceptical or reserved attitudes, to be found not only among Danish but more generally among Scandinavian trade unionists. Then I dig deeper into the Danish trade union discourse on EWCs and more generally on European Union regulation and its perceived effects on Danish industrial relations. Finally, I attempt to explain, if not the causes of, then at least the background to the sceptical Danish position by addressing its historical and socio-political origins.

The wider context

Globalisation in general and European economic integration in particular, have brought serious challenges to a model of trade unionism which orients itself first and foremost towards the national level. Companies increasingly operate at a transnational level and have gained a substantial advantage in being able to pick and choose where to locate their activities or to outsource specialised parts of them. They do so by searching for the optimum localisation with regard to production efficiency as well as closeness to attractive product markets and labour markets, but also by actively influencing institutional conditions by negotiating special conditions and playing off nation states and national labour movements against each other (Cowling and Sugden 1994; Edwards 1999). State subsidies – generally available or negotiated by individual companies and granted by national or local governments – are commonplace. So is concession bargaining – bargaining where unions are facing de-localisation and are disciplined to give concessions if jobs and investments are to be maintained. In today’s capitalism companies still compete with each other, but so do regions, nation states and national trade union movements. The radically increased imbalance has been formulated succinctly by Manuel Castells (1996, 475):

“At its core, capital is global. As a rule, labor is local...Labor is disaggregated in its performance, fragmented in its organization, diversified in its existence, divided in its collective action...Labor

loses its collective identity, becomes increasingly individualized in its capacities, in its working conditions, and in its interests and projects."

There is no doubt that Castells is here identifying a strong, global trend. Yet, at the same time perhaps he implicitly overestimates the collective identity and unity of labour in the past, and perhaps he also overestimates the degree of fragmentation and individualisation in the world of today. At least in Europe, national arrangements still provide some shelter against total fragmentation and individualisation. During the 'golden years' of Keynesianism and full employment workers in Northern Europe increasingly experienced not just progress, but also a type of progress that was connected to a corporatism of the Fordist type and as such were embedded in national institutions. Frames were made and institutions were built within which workers increased their productivity and were rewarded with a higher living standard and shorter working hours (Standing 1999). In many ways, corporatism has survived in spite of fractures in the Fordist production-consumption model, the demise of Keynesianism, the rise of globalist and neo-liberal prescriptions, a more insecure labour market and weaker trade unions. In some countries – as Ireland, Finland, Belgium and the Netherlands – increased competition and economic integration have been met by 'social pacts' entered into by governments and trade unions and employer organisations (Marginson and Sisson 2004). In other countries, renewed corporatist arrangements may have been less spectacular, but have nevertheless been the chosen way rather than radical change. The important exception to this pattern is the UK where the Thatcher government effectively expelled trade unions from the national policy-making scene, and where their come-back on this scene has only been partial since the Labour Party regained power in 1997.

The points to be stressed at this stage is that trade unionism still plays an important role in Europe, but also that trade union strategies in European countries still predominantly have national institutions as their horizon. However, while unions in some countries mainly perceive the European level as an extension of their domestic playing field, Danish unions, as we shall see, have tended to interpret developments at the European level as potentially harmful to their activities and have taken a reactive and foot-dragging position to policies for a 'social Europe'. Why has this been the case?

It has often been observed how degradation at home led the once Euro-sceptic British unions to turn to the European Union in the hope of winning some of the lost influence back; in the 1980s, while under attack from the government and employers alike, British unions became friends with the EU president, the French socialist Jacques Delors. Does this case give us a clue as to how national trade unions react to Europeanisation? Perhaps the reluctance of Danish unions to commit themselves at the European level is related to their relatively strong and influential position at the national level? Perhaps there is a reciprocal relationship between success at the national level and reservations towards the European level? Indeed a rather alarming relationship, since it implies that a strong commitment to European trade unionism will only arise out of defeats at the national level! I will return to this question at the end of the paper.

National representation structures in Denmark – and EWCs

Representation of employee interests in the Danish system of industrial relations takes place through a single channel, namely through trade unions. Trade unions not only conduct collective bargaining at sectoral level, but also have an almost complete representation monopoly at workplace level. Here local trade union delegates, or shop stewards, are involved in local

bargaining, monitoring the observance of collective agreements and other rules, and protecting the rights and interests of individual employees. At the same time, employee representatives are entitled to participate in management decisions, partly as representatives on the company board, and partly as members of the co-operation committee, which is the Danish equivalent of a works council.

In relation to EWCs the relevant Danish institution is the co-operation committee. In contrast to the German works councils, the co-operation committees are not based on legislation, but on national collective agreements between peak level trade union and employer organisations. In the private sector the by far most important agreement is the one – in force since 1947 - between the LO (the Danish confederation for unions organising manual and office workers) and the DA (the Danish employers' confederation).

The co-operation agreement lays down values and principles, which are designed to guide the co-operation between management and labour in the establishment. Seen from an employee perspective it entails the right to be informed and consulted on a number of workplace issues. It does not include any genuine co-determination rights as laid down in the German *Betriebsverfassung* (Works Constitution Act). However, it *does* determine that a dialogue must take place concerning employment and working conditions, major changes etc. with the aim of reaching agreement between the parties as to which principles shall apply for instance regarding training, recruitment, technological change and similar issues (Knudsen 1995, 82-90).

Similar to the French *comité d'entreprise*, the Danish co-operation committee is a joint body consisting of, on the one side management representatives, on the other shop stewards representing the members of the different trade unions present at the establishment. The president of the committee is always from management while the vice-president is an employee representative.

It is important to note that although the Danish system is fundamentally a single channel system the shop stewards play a double role within it. On the one hand, shop stewards are the local agents dealing with hardcore collective bargaining issues such as pay and working time. On the other hand, they also – in a different forum: the co-operation committee – discuss more soft and qualitative issues with management and thus participate in workplace decision-making with management. There is no doubt that historically the former role has been considered the most important. This role deals with the bread and butter issues, and as collective bargaining issues are associated with the right to strike, shop stewards have a clear sense of power within this field. The latter role – the one connected with participation through the co-operation committee – is more concerned with HRM issues. However, in recent years the participatory role has become increasingly important. It has become more common for shop stewards - often in their capacity as co-operation committee members or representatives on the board - to take part in strategic decisions and the 'management of change'. They do this because they have realised that change is now often a precondition for survival, and because they want to make sure that the consequences of change are as favourable as possible to employee interests (Kristensen 2003).

The Danish legislation transposing the EWC Directive provides as the norm that the employee side of the co-operation committee(s) is the group entitled to elect Danish representatives to EWCs. If no co-operation committee exists, the electorate is the group of shop stewards; and if there is no shop steward, which is rarely the case, all employees are entitled to take part in an election. Finally, it is also determined that groups not represented in the co-operation committee – usually more highly qualified employees who are organised in unions not affiliated to the LO and therefore not covered

by the LO-DA co-operation agreement – may ask for representation. In reality, these rules grant members of co-operation committees in particular and shop stewards in general a privileged position when Danish EWC representatives are elected. A study of Danish EWC representatives revealed that 99 per cent were trade union members, and 86 per cent belonged to trade unions affiliated to the LO. Further, it was found that 75 per cent were members of a local co-operation committee while 35 per cent held a seat on a group co-operation committee. 74 percent reported that they had a position as a shop steward and 30 percent that they served as a joint shop steward. (Knudsen & Sørensen 2000, 20-23). Thus, it can be concluded that Danish EWC representatives are well-experienced trade union delegates who also hold important posts in the national representation structure and are well acquainted with conducting a dialogue with management.

About one half of Danish EWC representatives are serving on EWCs of multinational companies (MNCs) based abroad while the other half are in Danish based MNCs. In relation to the latter group, an element influencing the Danish behaviour in EWCs is the fact that Danish employee representatives already have access to top management within the Danish representation structures. In many companies the contacts with management are relatively frequent and intense. They take place on the company board, in the central co-operation committee as well as through more informal contacts between shop stewards and top management. This position in the national arena means that Danish EWC representatives in Danish based MNCs may see little added value from participating in an EWC. To some extent this was reflected in an early study of the attitudes of Danish EWC representatives. Confronted with the statement "The employee representatives on the EWC have not done enough to achieve influence" 67 percent of EWC representatives in Danish based MNCs agreed, whereas only 50 percent agreed among the Danish EWC representatives in MNCs based abroad (Knudsen & Sørensen 2000, 99). (Such a 'home-country effect' may also be found in other countries with strong national representation structures as for instance Germany (Lecher et al. 2001)).

Country specific behaviour in EWCs – the Danish profile

European Works Councils may be seen as a testing ground where it is possible to measure the readiness of trade unionists from the different European countries to move from a national to a European perspective on trade union work. More than 12,000 employee representatives are now playing on that ground, and various research findings are beginning to throw light on characteristic national differences in the behaviour of EWC representatives (see for instance Whittall et al. 2007). According to the EWC Directive EWCs are bodies where employee representatives in a European forum may receive information and be consulted by the central management in multinational companies. Whether EWCs will function in a relatively passive way or actively seek to influence management decisions is to a large extent up to the employee representatives themselves. The readiness to use the EWC as a tool for influence, however, appears to differ in accordance with the nationality of employee representatives (Pulignano 2007). For instance, a German EWC representative (quoted by Bicknell 2004, 25) has experienced that

"The Germans and Austrians, or also the Italians and the Spanish...are more inclined to want to make demands and try to get them through. The others don't want to do that. Particularly the Scandinavians. They are very reserved. They don't want to make demands. They have trouble formulating them, and then don't want to push them through."

This, of course, can be the accidental experience of one individual. However, two comparative studies lend support to such a view of the Scandinavian EWC representatives. In the European Foundation study (Weiler 2004) in which the EWCs of 41 companies headquartered in five EU member states (France, Germany, Italy, Sweden and the UK) were investigated, a north-south divide was detected, not least in Swedish based companies as for instance IKEA where Weiler (2004, 62) noted:

"the north clan is perceived by the south as too cooperative and company oriented while the north perceives the south behaviour as too political and antagonistic towards management" .

Similar tensions existed in the Securitas EWC where the Scandinavian representatives supported the management strategy and wanted to work closely together with management whereas the southern European representatives wanted a more confrontational style in promotion of better pay and working conditions. Furthermore, it was found that the Swedish representatives were generally not interested in developing a joint European perspective or joint positions on the employee side. While this was the declared aim of several German based EWCs (Weiler 2004, 59)

"the Swedish EWCs see the committee primarily as a forum for information, coordination, and networking between union representatives from different countries".

In another comparative study - including British, Irish, Dutch, German, Swedish and Finnish EWC representatives - Jeremy Waddington (2003) found that EWC representatives from Sweden and Finland had the most negative views when asked to what extent they found the information and consultation at EWC meetings with management useful. Also, they were more prone to report that management rather than employee representatives dominated the agenda at meetings. According to the study the British and Irish representatives had the most positive views, then came the Germans and the Dutch, while the Scandinavians were the least enthusiastic. Waddington explains the positive views among the Anglo-Irish representatives with the fact that they lack information and consultation rights at the national level. Based on the same logic he would have expected the German and Dutch representatives to hold the most negative views because of the strong legal rights in these countries. However, the fact that he finds the Scandinavians in this position leaves him with a puzzle which "requires further analysis" and "suggests that factors additional to the strength of domestic legal regulations are also influential" (Waddington 2003, 321).

In a study among Danish EWC representatives it was found that representatives in Danish based EWCs were much less likely than representatives in EWCs based abroad to have taken part in the drawing up of joint texts or framework agreements with management (Bicknell and Knudsen 2005). This may be taken as an indication that an active and offensive role is not characteristic of EWCs in Danish based multinationals.

Ideologically, most Danish employee representatives strongly believe in a close co-operation with management with the aim of increasing the efficiency and competitiveness of the company – provided that the workers get what they are entitled to according to collective agreements. Employee representatives respect the fact that the company has to make profits to survive. An indication of this was found in a German-Danish comparison of the views of EWC representatives. Presented with a list of possible EWC tasks, 57 per cent of Danish respondents found it important "to improve the company's European profits" while only 17 per cent of the Germans did so (Bicknell and Knudsen 2005).

Roughly speaking, Danish employee representatives perceive the national co-operation committees as well as the European Works Councils as spaces for co-operation with management with the aim of strengthening the position of companies to ensure a solid base for employment, pay and good working conditions. It is then in a different space – the collective bargaining system – that the struggle to get a fair share of the cake must take place. And collective bargaining, conducted at national as well as local level, is seen as the absolutely central activity of trade unions.

Danish trade union policies on EWCs

Some evidence from Danish trade union sources can help to demonstrate how the centrality of the national collective bargaining system has consequences for union policies regarding EWCs. A Danish trade union official responsible for support and contact to EWCs in the building and wood sector expressed the role of the unions in this way (Odgaard 2000, my translation, HK):

“Through the last 5-6 years we have contributed to the establishment of European Works Councils. In this period we have, at the Nordic as well as the European level, mainly been preoccupied with the procedure for establishing these EWCs....When on rare occasions we have taken an interest in the activities and tasks of EWCs, the starting point has been to contain the activities of the EWC. We have been good at telling what the EWCs shall not deal with, and we have been bad at telling what they shall deal with”.

In the same article he stressed that there is only a thin line between information/ consultation and negotiations, and that it is important to prevent EWCs from developing into “self-playing pianos”, i.e. negotiating bodies. In the views of the Danish and Nordic unions he represented, the role of EWCs should be confined to seeking influence on ‘soft’ issues such as training and health and safety. The president of the Danish Metal Workers’ Union can be quoted for the same opinion (LO 2003, 18-19, my translation, HK):

“...it is incredibly important to explain to our members of European Works Councils that the works councils they have together with colleagues from other parts of the company in other countries are bodies for consultation and information. They can look at general issues and maybe also personnel policies. But they must never become fora that enter into agreements at collective bargaining level or replace collective agreements...”

Further, the metal workers’ president fears that any bargaining role to the EWCs will tend to undermine trade unionism (LO 2003, 19, my translation, HK):

“Some in the EMF would like to see the EWCs go further. But here we, together with our Nordic colleagues, maintain the view that if we entrust the EWCs with collective bargaining issues, then we will push our members away. Our shop stewards will so to speak get “our product” from the works council and thereby also from the company instead of getting it from the organisation to which they have their natural affiliation”.

To the extent that one can talk of a Danish trade union strategy on EWCs, the guidelines from Danish trade unions advice EWC representatives not to go substantially further than information and consultation. If joint projects with management are a possibility these should be on ‘soft’ issues such as health and safety, training, HRM policies, and corporate conduct. Agreements on issues,

which are covered by national collective bargaining, should be avoided. Neither is there a real ambition of influencing localisation decisions and restructuring processes. If this is attempted it is usually in the form of an alliance with local management (Kristensen 2003).

There is hardly any doubt that these strategic guidelines influence the views and behaviour of Danish EWC representatives. For instance, a comparative study on German and Danish EWC representatives found the improvement of health and safety to be seen by the Danes as the most important task the EWC should deal with, while this issue was only fourth on the German list of priorities. The German representatives put more emphasis on such issues as 'improving European communications between employees' and 'maintaining jobs in Europe' (Bicknell and Knudsen 2005).

The Danish trade union position on EU regulation in general

The cautious and sceptical position towards EWCs is not a special case. Concerning demands more generally for EU wide regulation of working and employment conditions Danish trade unions are certainly not to be found in the vanguard, as the Danish union movement has been quite reluctant to accept a role for the European level in industrial relations. To return to the president of the Metal Workers Federation (LO 2003, 16, my translation, HK):

"Our focus is that the development in the EU with directives and social dialogue is ok as long as it does not lead to anything that bothers us. I do not think this attitude is special for the metalworkers. I think it covers the Danish unions generally."

Such an ethno-centric position is confirmed by a study by Torunn Olsen (1996) who compared German and Danish political processes, involving trade unions, employer organisations and governments, during the preparation of three EU directives – on pregnant workers, employment contracts and working time. Three conclusions can be drawn from her study. First, the policies of the Danish government were based on consensus positions reached between the most important national trade union and employer organisations. Second, the discussions on the substantial content of the directives weighed less than concerns over the expected disruptive impact of the directives on the Danish regulation system. Third, the Danish proposals were consistently aimed at minimising the directives' impact on the Danish regulation system, i.e. to reduce the content of general, binding and detailed employee rights in the directives (cf. also Knudsen and Lind 1999).

This line was continued for example during the discussions on the framework directive on information and consultation and the directive on agency work. In both cases the consensus based Danish position was that European regulation was a) not necessary, and b) could prove detrimental to domestic arrangements in Denmark. Concerning the information and consultation directive, the parties shared the opinion that the directive would be harmful to Danish industrial relations, and together they asked not only the Minister of Labour, but also the Prime Minister, to intervene on their behalf (Letter 1998). The fear was the directive would threaten the Danish works council system based on collective agreements between employer organisations and trade unions. The Danish position contributed to a delay in the process of adopting the directive as well as to a watering down of some of its provisions, especially by making it crystal clear in the text of the directive that existing collectively agreed structures for information and consultation can replace the structures provided for by the directive.

Recently, the scepticism of Danish unions as well as unions in the other Nordic countries has been fuelled by the European Court decisions in the Laval/Vaxholm and Viking cases. As the verdicts in some respects have challenged the Nordic tradition of comprehensive union rights to take action against employers who have not signed a collective agreement, they are seen as a threat to the very basis of trade unionism in the Nordic countries. These events, however, are so recent that they cannot serve as an explanation for the generally sceptical attitudes towards EU regulation of industrial relations.

Explaining Danish scepticism: the theory of the EU as a threat to ‘the Danish model’

Which considerations, which theory, lie behind the policies described above? First of all, there is a strong belief in the blessings of the fundamentally voluntarist Danish system of industrial relations. Again we can listen to the metal worker president (LO 2003, 17-18, my translation, HK):

”We certainly prefer agreements to legislation. This goes for Denmark, and it goes for Europe. We think that what we have done in Denmark for many, many years, namely that the labour market parties are the ones who negotiate the conditions in the workplaces is what is most durable and binding. That is also why we are worried when we see colleagues asking for legislation in areas where they think things are progressing slowly or where they cannot get far enough with agreements. We believe it will be strainful, if not destructive, for the the parties’ possibilities to enter into agreements which they afterwards feel obliged by”.

In Denmark there is strong support for this so-called ‘Danish model’ characterised as it is by a minimum of legislation, sector level collective bargaining, local-level bargaining within the frames of sector agreements, and information and consultation which are also based on collective agreements. Trade unions support the model because it gives them a strong position in the system, and because they believe that the parts they play in it secure a high affiliation rate. Employers organisations support it because it frees them from detailed, inflexible legislation for instance on employment protection, working time and minimum pay. And politicians support it because they believe it is the best way to avoid conflict and because the industrial relations parties are orientated towards growth and competitiveness and thus prepared to act in a ‘responsible’ way.

The quotation above also expresses a widely held belief that ‘too much’ legislation, irrespective of whether it comes from Copenhagen or Brussels, threatens to disrupt the system by shifting the delicate balance it rests upon. Notably there is a perceived risk that the employers will pull back their support for the system and instead unilaterally and head-on pursue their stated aim of deregulation. The collective bargaining system is perceived as a *quid pro quo* system which is thought to be disturbed when one of the sides – in this case the employees – gets something for nothing through the legislative road.

The theory of the EU as a ‘threat to the Danish model’ not only thrives in the trade union movement, but also in the academic field. On the basis of comprehensive studies of the Danish collective bargaining system the two associates Jesper Due and Jørgen Steen Madsen actually invented ‘the Danish model’ as the concept that is now generally used to describe the Danish industrial relations system. They also formulated the theoretical expectation that EU regulation represents a threat to the Danish model. During the 1990s they seconded the trade union movement in its demand that EU directives should primarily be implemented in Denmark through collective

agreements rather than legislation. If this could not be done the whole system is thought to be at risk (Due et al 2000: 154):

"The implications for the Danish model are real. If the requirement that all workers are to be covered by the political directives means excessive supplementary legislation, this will drastically alter the balance between collective agreements and legislation in the Danish model. This, in turn, will reduce the influence of the labour-market organisations, and the trade unions in particular risk losing members. Why join a union if you are already entitled to the rights via legislation?"

Faced by a case at the European Court prepared by the European Commission, the Danish government in 2003 finally backed down from the position developed by the labour market parties and the government in the early 1990s, namely that implementation of EU directives could and should take place solely through collective agreements, at least in cases where this was deemed preferable by the parties. The problem with this solution was of course its failure to guarantee the rights of the directives to employees not covered by collective agreements – estimated at between 20 and 30 per cent of the labour force (Scheuer 1996, LO 2001) – in a system that does not operate with *erga omnes* provisions. Today the applied method of implementation is a mixture of including the directives' provisions in collective agreements – for those employees that are covered – and supplementary legislation that aims at employees not covered by collective agreements.

According to the arguments underpinning the theory of EU regulation as a threat to the Danish model the catastrophe thus actually *has* occurred! A number of EU Directives have lead to legislation in Denmark on various industrial relations issues. However, it is very difficult to see the 'drastic' changes that were expected as a consequence. Trade union membership *is* declining, but it is certainly not possible to verify EU regulation as the main cause. Many other factors are at play such as changes in the employment structure and changing attitudes among young workers.

Anyway, the main thrust of the theory remains intact. It is still the predominant view that EU regulation based on legislation will have harmful effects on the the Danish model. This is true even if the Danish trade union movement in recent years have attempted to formulate a more offensive policy pointing at alternative methods of EU regulation. Since the late 1980s Danish unions have propagated negotiations between ETUC and UNICE as preferable to the legislative way. But only since 2003 has this position been developed in a more detailed way. The 2003 LO Congress opted for connecting the wish for negotiations with demands for a framework agreement between ETUC and UNICE/CEEP – defining procedures for negotiations at the European level - and a European labour court. However, and contrary to the ETUC position, the Danish resolution explicitly refused to demand a right to strike at the European level. As long as this is not achieved, it will be difficult to drag the employers to the European negotiation table and political regulation will still have a role to play.

A critical assessment of the Danish theory of the EU as a threat

In the meantime, it is still relevant to discuss the theory of EU as a threat to the Danish model, and the reasons why this theory has had and still has such a strong influence on Danish trade union positions toward the European level.

It is indeed debatable whether the high affiliation rate of Danish trade unions, let alone their socio-political strength, can be explained by the voluntarist character of the Danish industrial relations

system – the centrality of collective bargaining as opposed to legislation. Alternative explanations are available. It is a fact that countries – such as Sweden, Finland and Denmark – in which unemployment funds are administered by the trade unions (the so-called Gent-system) display clearly higher affiliation rates than countries where unemployment benefits are administered by the state (Lind 1996). It is also noteworthy that the global trend of markedly diminishing affiliation rates since the 1970s only started to hit these countries during the last few years. Further, the general trend for trade union membership to drop during times of rising unemployment does not seem to function in countries with the Gent-system; rather union membership tends to rise with unemployment. In Denmark, not only are union based unemployment funds responsible for servicing the unemployed; they also provide the entrance ticket to the system of early retirement pay which is open to members aged between 60 and 65 years. Seen together with the low level of protection against dismissal granted by collective agreements unemployment insurance and entitlement to early retirement pay are seen by workers as very important pillars in the social security system (Madsen 2004). Moreover, trade unions enjoy a prominent position in the political system. They take part in tripartite institutions from local to central state level and are strongly involved in administering state means for instance for vocational training and improvements in health and safety. Finally, there is a consensus among the political parties and the labour market parties that domestically initiated legislation on labour issues should not take place unless it is endorsed by the peak union and employer organisations. So, the unions owe their high membership rates and influential position to a number of institutional set-ups of which collective bargaining is only one, and, as argued, hardly the most important when it comes to explaining the high affiliation rate.

On this background there are good reasons to consider the predominant theory on how legislative EU regulation is likely to affect the Danish industrial relations system, if not completely erroneous, at least highly problematic. Still, it is a very influential, so let us try to find out how it emerged.

How the ‘Danish model’ became a holy cow

In the debate prior to the referendum in 1972, which endorsed Danish EC membership, the opponents on the left conceptualised the EC as ‘capital’s Europe’. They argued joining the EC was only the first step towards entering something that would become “an ever closer union” – as actually stated as the aim in the Treaty of Rome – and that such a future would endanger labour standards and the autonomy of the Danish industrial relations system. The proponents, for their part, eagerly stressed the expected financial benefits of EC membership and denied that political and social integration would ever become realistic features of the Community; consequently, industrial relations and labour standards would not be affected.

Since then, the proponents of membership – including the major political parties, the employers’ organisations and the leaders of the trade union movement – have been fighting an uphill battle to keep their promises. Every time a new European Treaty was negotiated pushing European integration further they have had to defend their fundamentally defensive position by claiming the changes would not alter conditions in Denmark in any significant way.

It is within this political configuration the theory of the EU as a threat to the Danish model – and the ensuing policies of trying to prevent or water down EU legislation in the field of industrial relations – have been capable of serving as the perfect compromise. The compromise has gone as far as possible to satisfy the sceptical left wing in the trade union movement. As the employer’s

organisations are generally opposed to *pro* labour regulation it has fully served their political goals as well. And for the trade union leadership it has provided a platform that has secured peaceful coexistence with EU critical rank-and-file unionists as well as pro EU employers. Backed by the government as well, the theory has served as a *de facto* national pact functioning as a defense of national corporatist arrangements. In the European context, this position has been difficult for the trade unions, however. Again and again Danish trade unions have found themselves out of line with mainstream European trade unionism which has opted for stronger labour rights and stronger social integration at the European level. Perhaps, one can say Danish trade union leaders have been hit by history's revenge in the sense that their participation in the yes-campaign back in 1972 – with promises of Danish EU membership without European social and political integration – has forced them to stick to basically nationalist perspectives. It has been very clear in the Danish debate that as soon as some trade union leader ventured to propose a more pro European union line he/she has been caught in a cross fire of criticism from anti EU unionists on the one side and 'market European' employer organisations on the other. In this way 'the Danish model' – and the national consensus on the importance of defending it – has become a holy cow.

Recently there have been signs of a possible future weakening of the compromise behind the theory of EU regulation as a threat to the Danish model. An LO publication from 2001 discussing collective agreements versus legislation bluntly stated: "The Danish Model is not threatened" (LO 2001, 1). The statement alone indicates that the issue is being debated. On the left, in the face of globalisation and Europeanisation, there are increasing doubts whether European industrial relations regulation is really such a bad idea. Some find it alarming to see a now relatively successful extreme right campaigning against social and political integration in Europe on a nationalist and xenophobic platform. Further, there is an increasing understanding that minimum labour standards throughout the European Union can provide some defence against social dumping practices. In other words, the more economic Europeanisation and globalisation have become real, the more it is being realised that a trade unionism that is confined to the national level has severe shortcomings.

Towards a conclusion

After this long journey into Danish industrial relations institutions and Danish attitudes towards the European Union let us now return to the starting point and ask: how, then, do we explain the rather passive, reserved and sceptical role played by Danish employee representatives and trade unionists on EWCs? Why are the Danes not in the forefront among those who want EWCs to play a more active role in transnational trade unionism?

Firstly, the tempting, and hardly wrong, answer is that the scepticism is related to the fact that Danish unions domestically have never been confronted by a Thatcher-style shock, but on the contrary have experienced a high and stable degree of influence and success within the national institutional framework. Danish unions have a long tradition of being organisations representing the vast majority of wage earners and of being central in determining their members' working conditions, pay, pensions, social security, and participation rights at work as well as in society at large. Danish trade unionists are confident that they have achieved results in the past and can continue to do so in the future. The results have been achieved in national, corporatist settings, and as long as these function reasonably well, it is not likely that Danish, or Scandinavian for that sake, unions will invest their energy in an offensive way in the European industrial relations structures.

Secondly, from the account given above it is also evident that more general and political attitudes towards the EU have played a role. The Danish population is generally opposed to a far-reaching European integration, and because referenda are used to endorse major changes in EU structures the trade union leadership must always be aware of 'not going too far' and thereby provoking an even stronger opposition to the EU. The rejection of the Maastricht Treaty by the Danish referendum in 1992 as well as the rejection of joining the Euro by another referendum demonstrated there are clear limits to how far the elites – the political, business and union leaders – can go concerning initiatives for stronger European integration. The elites may not agree internally on what kind of integration is desirable, but the point is that any kind of integration – except pure market integration – risks being rejected by a majority of the population.

Thirdly, the way in which a national consensus has developed on the theme of preventing the 'Danish model' from being undermined by European regulation is probably rather unique. Although national corporatist arrangements are important in some other EU member states as well, they are hardly seen as *alternatives* to regulation at the EU level to the same extent as is the case in Denmark.

Fourthly, regarding specifically the Danish engagement on EWCs it is important to stress how it is influenced by the experience from the national co-operation committees. These are explicitly not bodies for collective bargaining, but rather deal with soft issues and development issues that may be advantageous to the company as well as its workers. This experience is brought along when Danish representatives act on EWCs. The existence of co-operation committees as well as board level representation at the national level also seems to play a role. EWCs in Danish based MNCs are generally rather passive, and an important reason for this is undoubtedly that the, usually dominant, Danish group of representatives do not really see the added value of having an EWC.

Will the Danish EWC/EU scepticism persist? My expectation is that as globalisation and Europeanisation gradually may tend to erode the national power positions of unions, it is likely that Danish unions will reorient themselves and become more active European players. Globalisation, European economic integration as well as the wear of time on catastrophic predictions concerning the consequences of EU regulation, all tend to push the old agenda of seeing European regulation as conflicting with national regulation in the background. In this situation a Thatcher-type shock is hardly a precondition for a new, more pro-European orientation among Danish and other Scandinavian trade unions. Danish unions have just lived through a period of 15 years with considerable real wage increases and a return to full employment. When this trend will be reversed, which is likely to happen within the next few years, it will perhaps also be time for the trade unions to reconsider their strategies. Another important precondition is of course that unions across Europe manage to enter into more intense debates and reaches some binding decisions regarding the space that should be given to EWCs within an overall European trade union strategy.

References:

Bicknell, H. (2004): Ethno-, Poly- and Euro-centric EWCs. The importance of national influences on the way EWCs function, paper to IREC conference, Utrecht 26-28 August.

Bicknell, H. and Knudsen, H. (2005): Comparing German and Danish Employee Representatives on European Works Councils: do differences in national background matter? In *Journal of Industrial Relations*, vol. 48, no. 4, 435-51.

Castells, M. (1996): *The Rise of the Network Society*, Oxford, Blackwell.

Cowling, K. and Sugden, R. (1994): *Beyond Capitalism. Towards a New World Economic Order*, London, Pinter Publishers.

Due, J., Madsen J.S. and Lubanski, N. (2000): Nordic Labour Relations: Between national autonomy and EU integration, pp. 149-76 in R. Hoffmann, O. Jacobi, B. Keller and M. Weiss (eds.): *Transnational Industrial Relations in Europe*, Düsseldorf, Hans Böckler Stiftung.

Edwards, T. (1999): Cross-border Mergers and Acquisitions: the Implications for Labour, *Transfer*, vol. 5, no. 3, 320-43.

Knudsen, H. (1995): *Employee Participation in Europe*, London, Sage.

Knudsen, H. and Lind, J. (1999): The Implementation of EU Directives in National Systems – lessons from the Danish case, *Transfer*, vol. 5, no. 1-2, 136-55.

Knudsen, H. & Sørensen, O. R. (2000) *Multinationale lønmodtagere erfaringer med europæiske samarbejdsudvalg*. Aalborg: Aalborg Universitetsforlag.

Kristensen, P. H. (2003) *Et grænseløst arbejde*. Copenhagen: Nyt fra Samfundsvidenskaberne.

Lecher, W., Platzer, H-W., Rüb, S. and Weiner, K-P. (2001): *European Works Councils: Developments, Types, and Networking*, Aldershot: Ashgate.

Letter (1998), Brev fra Dansk Arbejdsgiverforening og Landsorganisationen i Danmark til statsminister Poul Nyrup Rasmussen (Letter from the Danish Employers' Confederation and the Danish Trade Union Confederation to prime minister Poul Nyrup Rasmussen), 22.10.1998.

Lind, J. (1996): Trade Unions: social movement or welfare apparatus? In P. Leisink, J. Van Leemput and J. Vilroxx (eds.): *The Challenge to Trade Unions in Europe*, Cheltenham, Edward Elgar.

LO (Landsorganisationen i Danmark) (2003): *Fagbevægelsen på vej i et nyt Europa*, Copenhagen, LO.

LO (Landsorganisationen i Danmark) (2001): *Vejen til målet. Lovgivning eller kollektiv overenskomst*, Copenhagen, LO.

Madsen, P. K. (2004): The Danish Model of 'Flexicurity': experiences and lessons, *Transfer*, vol. 10, no. 2, 187-207.

Marginson P. and Sisson, K. (2004): *European Integration and Industrial Relations. Multi-level governance in the making*, Basingstoke, Palgrave Macmillan.

Odgaard, G. (2000): Det europæiske samarbejdsudvalgs placering, Copenhagen, *BAT-Nyt*, no. 9, 10-12.

Olsen, T. (1996): *Destinasjon Brussel. Beslutningsprocessen og centrale aktørers medvirkning i EF's arbeidslivspolitik*, Oslo, Fafo.

Pulignano, V. (2007): Coordinating across borders: the role of European industry federations within European Works Councils, pp. 74-93 in M. Whittall, H. Knudsen and F. Huijgen: *Towards a European Labour Identity – the case of the European Works Council*, London, Routledge.

Scheuer, S. (1996): *Fælles aftale eller egen kontrakt i arbejdslivet*, Copenhagen, Nyt fra Samfundsvidenskaberne.

Standing, G. (1999): *Global Labour Flexibility*, London, Macmillan Press.

Waddington, J. (2003): What do Representatives Think of the Practices of European Works Councils? Views from Six Countries, *European Journal of Industrial Relations*, vol. 9, no. 3, 303-25.

Weiler, A. (2004): *European Works Councils in Practice*, Dublin, European Foundation for the Improvement of Living and Working Conditions.

Whittall, M., Knudsen, H. and Huijgen, F. (2007): *Towards a European Labour Identity – the case of the European Works Council*, London, Routledge.